

# 2009 Open Enrollment Presentation

(for State Employees, Teachers, School  
Personnel and Contract Groups)  
July 2008



GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH

# DCH Mission

## ACCESS



Access  
to affordable,  
quality health  
care in our  
communities

## RESPONSIBLE



Responsible  
health planning  
and use of  
health care  
resources

## HEALTHY



Healthy  
behaviors and  
improved  
health  
outcomes



GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH

# **DCH Initiatives**

## **FY 2008 and FY 2009**

### **FY 2008**

**Medicaid Transformation**

**Integrity of our Programs &  
Safety Net**

**Consumerism**

**Health Improvement &  
Resolving Disparities**

**Uninsured: Community  
Solutions**

### **FY 2009**

**Medicaid Transformation**

**Health Care Consumerism**

**Financial Integrity**

**Health Improvement**

**Solutions for the Uninsured**

**Medicaid Program Integrity**

**Workforce Development**

**PeachCare for Kids™ Program  
Stability**

**SHBP Evolution**

**Customer Service and  
Communication**



# State Health Benefit Plan (SHBP)

- SHBP Strategy
- New Vendors
- Benefit Changes for 2009
- Changes in Eligibility Processes



# SHBP Strategy

- SHBP is committed to offering high-quality plan options at an affordable price
- Through a comprehensive and competitive procurement process, CIGNA and UnitedHealthcare were chosen to provide your medical and pharmacy benefit plans effective January 1, 2009
- Strong statewide and national access to physicians and hospitals as well as documented clinical excellence were the two most critical factors in the award
- CIGNA and UnitedHealthcare both demonstrate expertise and innovation in wellness and consumerism, two important areas of focus for SHBP



# SHBP Changes – January 1, 2009

## Plan Option Changes

- CIGNA and UnitedHealthcare will each offer the following options to active and retired SHBP participants:
  - Health Reimbursement Account (HRA)
  - High Deductible Health Plan (HDHP)
  - Preferred Provider Organization (PPO)
  - Health Maintenance Organization (HMO)
  - Medicare Advantage Private Fee for Service Plan (retirees age 65 and older)



# SHBP Changes – January 1, 2009

## Plan Options

Plan	CIGNA	UnitedHealthcare (UHC)
Health Reimbursement Account	CIGNA Choice Fund HRA	UHC Definity HRA
High Deductible Health Plan	CIGNA Open Access Plus	UHC High Deductible Health Plan
Preferred Provider Organization	CIGNA Open Access Plus	UHC PPO
Health Maintenance Organization	CIGNA Open Access Plus In-Network	UHC Choice
Medicare Advantage Private Fee for Service Plan	Medicare Access Plus RX	UHC Medicare Direct



# SHBP Changes – January 1, 2009

## Plan Option Changes

- Effective January 1, 2009, BlueCross BlueShield HMO, Lumenos and Kaiser options will not be offered
- Due to the unique structure of the Kaiser Staff Model HMO, current Kaiser members can continue their Kaiser coverage in 2009 and will need to change in 2010 to either CIGNA or UnitedHealthcare. This will allow them time to select new physicians
- On June 12, 2008, SHBP presented rules to the Board of Community Health for initial adoption and release for public comment. The Board voted in favor of initial adoption and the rules were released for public comment. On July 30, 2008, there will be a public hearing on the rules. At the next Board meeting in August, the Board of Community Health will vote to approve the rules for final adoption. The final regulations include the elimination of the Indemnity and Consumer Choice Options, in line with the SHBP strategy and recent changes to State law





## Plan Option Changes (continued)

If the DCH Board approves removal of the Indemnity and Consumer Choice Options:

- **Indemnity Option Members:** If you do not go online during Open Enrollment and make an election for another option, you will be enrolled in the UnitedHealthcare HRA effective January 1, 2009 and the tobacco and spousal (if you cover your spouse) surcharges will apply
- **Consumer Choice Option Members:** If you do not go online during open enrollment and make an election for another option, you will be enrolled in the same option without the Consumer Choice Option benefit effective January 1, 2009 and the tobacco and spousal (if you cover your spouse) surcharges will apply



## Plan Option Changes (continued)

- BlueCross BlueShield HMO and Lumenos members who do not go online during Open Enrollment and make an election for another option will be enrolled in the UnitedHealthcare HRA effective January 1, 2009 and will be charged the tobacco and spousal surcharges (if you cover your spouse)
- Kaiser HMO members who wish to continue their current coverage must go online and enroll in Kaiser again and answer the surcharge questions. Members who do not go online during open enrollment and make an election will keep their Kaiser HMO effective January 1, 2009 and will be charged the tobacco and spousal surcharges (if you cover your spouse)
- Kaiser Senior Advantage members (retirees) who do not make an election during open enrollment, coverage will remain enrolled in the Kaiser Senior Advantage Option



## Plan Option Changes (continued)

### Transition of Care

- If you are currently covered by BlueCrossBlueShield HMO or Lumenos and are receiving or anticipate the need to continue certain covered services and/or medical treatments beyond 2008, you may request transition of care services. Transition of care services allows you to continue to obtain certain ongoing services and/or treatments from your out-of-network provider for an approved period of time
- You will need to contact customer service of your new plan no later than December 31, 2008 for the 2009 plan option you have elected to obtain specific instructions on how to submit your request for transition of care services



## Plan Option Changes (continued)

What is a:

- **HRA** - consumer driven health plan option where SHBP puts cash in your account each year and you choose how you spend your health care dollars
- **HDHP** – consumer driven health plan option that has a high deductible and allows you to set aside your own funds in a Health Savings Account for future medical expenses
- **PPO** – Preferred Provider Organization that provides coverage for in-network at 90 percent and out-of-network services at 60 percent of allowed amounts
- **HMO** – Health Maintenance Organization – covers services only when performed by a participating provider
- **Medicare Advantage Private Fee for Service** – plan offered to retirees who are 65 or older who are enrolled in Medicare Parts A and B



# Why Should You Consider a HRA?

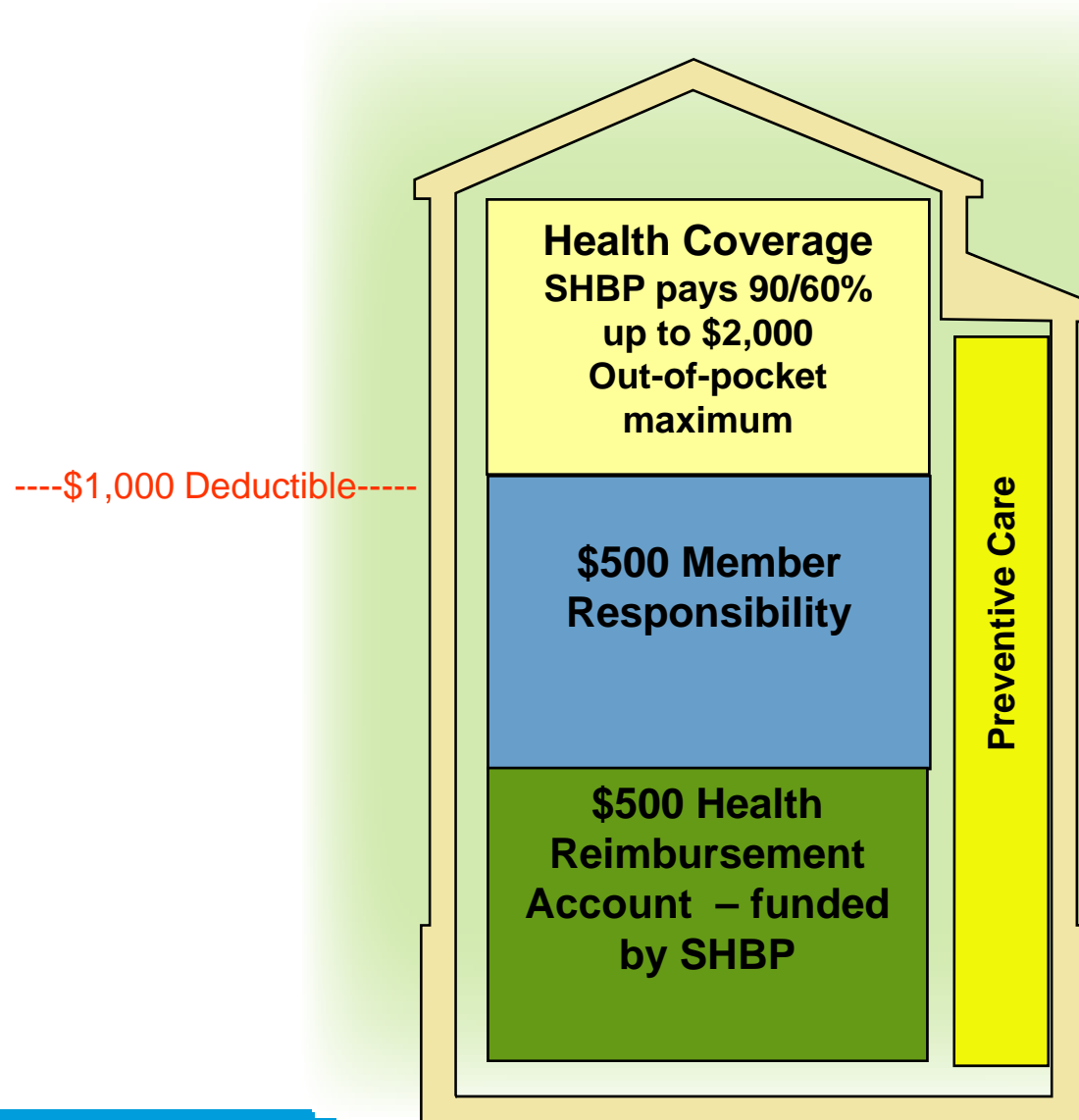
- Low employee premiums
- SHBP provides dollar credits to use for all of your medical and pharmacy expenses and reduces your deductible and maximum out-of-pocket expenses
- Unused dollar credits roll over to the next year
- 100 percent coverage of preventive care and not charged against your HRA account
- Unlimited provider choice – uses a PPO network
- No Primary Care Physician designation, or specialist referrals required
- No cost for certain asthma, diabetes and cardiac prescriptions for members enrolled in and compliant with the disease state management program

# HRA Plan Design

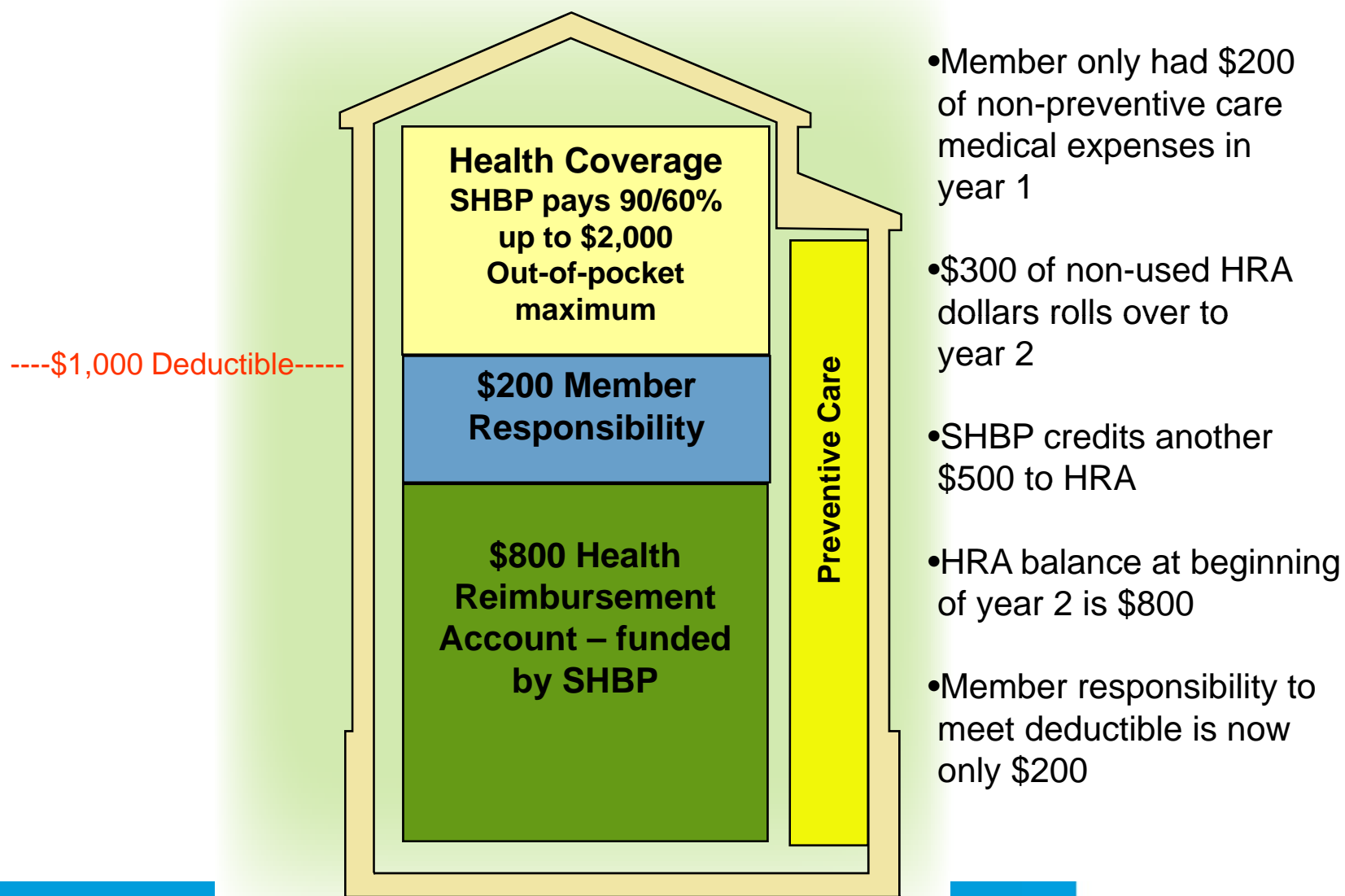
- Health Reimbursement Account (HRA)
  - \*\$ 500 – Employee
  - \*\$1,000 – Employee + Spouse
  - \*\$1,000 – Employee + Child(ren)
  - \*\$1,500 – Employee + Spouse + Child(ren)
- \*Plus \$125 for annual physical and completing a health assessment. Employee and spouse can each earn this.
- SHBP credits your account each year to help pay covered medical expenses
- Member responsibility
- Health coverage
- Member advocacy programs



# How an HRA Works – Single Coverage



# How an HRA Works – Year Two





# Winners & Losers Analysis

- This analysis compares the out-of-pocket costs of two plans. Out-of-pocket costs include the member's deductible, co-payments, coinsurance and employee contribution
- The "win percentage" is the percentage of claim situations, across an entire claim distribution, where the HRA plan member's out-of-pocket cost is lower

	2008
HRA vs. HMO	75%
HRA vs. PPO	95%

- In 2008, the HRA plan will provide a better financial result for 75 percent of all members versus those in the HMO. The HRA plan will provide a better financial result for 95 percent of all members versus those in the PPO

# Medicare Advantage Plans

- Two Private Fee-for-Service (PFFS) plans covering entire state
- Optional for Medicare-eligible retirees
- Automatically covers all parts of Medicare (A,B,C,D)
- Benefits enhanced over standard Medicare to cover:
  - No deductibles
  - \$1,000 annual out-of-pocket maximum and lower co-pays
  - Unlimited inpatient hospital days
  - No hospital stay required prior to Skilled Nursing Facility
  - Worldwide emergency room coverage
  - Routine Chiropractic visits
  - Routine Podiatry visits
  - Routine vision exams and hardware (\$125/2 years)
  - Hearing exams and hearing aid benefit (\$1,000/4 years)



# SHBP Changes – January 1, 2009

Benefit/Premium Enhancements – all Options

**Enhanced Mental Health and Substance Abuse benefit.  
Limitations no longer apply to the following:**

- Inpatient Facility
- Professional Charges Inpatient
- Outpatient Visits
- Partial Day Hospitalization/Intensive Outpatient

(Note: Number of days and/or visits authorized remain subject to health plan approval)

# SHBP Changes – January 1, 2009

## Benefit/Premium Enhancements – all Options

Premium structure will change from two-tiers to the following four-tiers:

- EE = Employee
  - ES = Employee + Spouse
  - EC = Employee + Child(ren)
  - EF = Employee + Child(ren) + Spouse
- 
- During Open Enrollment, you will elect the coverage tier you desire for the dependents that you choose to cover
  - You will be locked into the tier for the entire plan year unless you experience a qualifying event
  - To add a new dependent (spouse or child), or drop a dependent, you must notify SHBP within 31 days of the addition/loss of that dependent even if it does not result in a change to the coverage tier. If SHBP is not notified within 31 days of the event, you may not add the new dependent nor will you be able to change coverage tiers until the next open enrollment period



# Member Contribution Rates

- Overall cost increase on average to employees: 7.5 percent
- CDHP plans will receive a lower rate increase (0 to 6 percent depending on the tier); non-CDHP plans will receive a larger increase (2 to 10 percent depending on the tier)
- All premium increases are subject to the Board of Community Health approval
- Re-alignment of rates from two to four tiers caused some large swings in rates for the family-tier. A 10 percent cap was put on all rate increases

# SHBP Changes – January 1, 2009

## Benefit/Premium Enhancements – All Options

- If you do not make a coverage tier election during open enrollment, you and any active eligible dependents will be placed into the appropriate coverage tier. You will be locked in to that coverage tier for 2009
- The tier changes provide a more equitable distribution of actual claims costs. For example, an employee who covers his/her spouse and children generally has higher claims costs than an employee who just covers his/her children
- Under the two-tier premium structure, these employees paid the same amount for their coverage



# SHBP Changes – January 1, 2009

## Benefit/Premium Enhancements – All Options

- Some tiers will have higher increases in 2009 than others, as the rates are realigned properly with the expected claims costs
- This new premium structure also requires that deductible and out-of-pocket maximums are realigned to fit the four-tier premium structure



# SHBP Changes – January 1, 2009

## Benefit Changes – PPO and HMO Options

- Out-of-Pocket maximums are changing
- HMO deductibles are increasing to be more in line with the other options
- HMO office co-pay is increasing to \$30
- HMO co-pay is increasing for preferred prescription drugs to \$30 and to \$75 for non-preferred prescription drugs
- More details on the plan changes will be provided in the Decision Guide available from your payroll location and on the Web at [www.dch.ga.gov/shbp\\_plans](http://www.dch.ga.gov/shbp_plans)





# SHBP Changes – January 1, 2009

## Benefit/Premium Enhancements – All Options

Option	HRA Credits	Deductibles*	In-Network Out-of-Pocket Maximum*	Out-of-Network Out-of-Pocket Maximum *	Actual In-Network Out of Pocket Maximum
<b>HRA</b>					
EE	\$ 500	\$1,000	\$ 2,000	\$2,000	\$1,500
ES	\$1,000	\$1,750	\$ 3,250	\$3,250	\$2,250
EC	\$1,000	\$1,750	\$ 3,250	\$3,250	\$2,250
EF	\$1,500	\$2,500	\$ 4,500	\$4,500	\$3,000
<b>PPO</b>					
EE		\$ 500	\$1,500 + co-pays	\$3,000 + co-pays	\$1,500 + co-pays
ES		\$1,000	\$2,250 + co-pays	\$4,500 + co-pays	\$2,250 + co-pays
EC		\$1,000	\$2,250 + co-pays	\$4,500 + co-pays	\$2,250 + co-pays
EF		\$1,500	\$3,000 + co-pays	\$6,000 + co-pays	\$3,000 + co-pays

\*Note, your deductibles and out-of-pocket maximums will be reduced by your HRA dollar credits

# SHBP Changes – January 1, 2009

## Benefit/Premium Enhancements – All Options

Option	HRA Credits	Deductibles	In-Network Out-of-Pocket Maximum	Out-of-Network Out-of-Pocket Maximum	Actual In-Network Out-of-Pocket Maximum
<b>HDHP</b>					
EE		\$1,150	\$1,700	\$2,300	\$1,700
ES		\$2,300	\$2,900	\$4,600	\$2,900
EC		\$2,300	\$2,900	\$4,600	\$2,900
EF		\$2,300	\$2,900	\$4,600	\$2,900
<b>HMO</b>					
EE		\$ 400	\$1,500 + co-pays	(no benefits if you go out-of-network unless life-threatening)	\$1,500 + co-pays
ES		\$ 600	\$2,250 + co-pays		\$2,250 + co-pays
EC		\$ 600	\$2,250 + co-pays		\$2,250 + co-pays
EF		\$ 800	\$3,000 + co-pays		\$3,000 + co-pays



# SHBP Changes – January 1, 2009

## Benefit Enhancements – HRA Option only

HRA credits and deductibles will be adjusted to reflect the new tiers as follows:

Tier	HRA Credits 2009	HRA Credits 2008	Deductibles 2009	Deductibles 2008	2009 Maximum In and Out of Network Out-of-Pocket Limit	2008 Maximum In and Out of Network Out-of-Pocket Limit
EE	\$ 500	\$ 500	\$1,000	\$1,000	\$2000	\$2000
ES	\$1,000	-	\$2,000	-	\$3250	-
EC	\$1,000	-	\$2,000	-	\$3250	-
EF	\$1,500	\$1,000	\$2,500	\$2,000	\$4500	\$4000

Members who participate in a disease management program under the HRA will not pay for certain prescription drugs to treat diabetes, asthma and heart conditions.

# SHBP Changes – January 1, 2009

## Eligibility Changes

### Dependent Verification

- For 2009, members elect the coverage tier during Open Enrollment and are locked-in to that tier for the entire Plan Year unless a qualifying event occurs
- The tier is locked-in regardless of whether dependent verification is submitted or not to SHBP
- SHBP will allow members to submit verification of their dependents' eligibility any time during the plan year
- The dependent's coverage will remain inactive until the appropriate documentation has been received and verified by SHBP



# SHBP Changes – January 1, 2009

## Eligibility Changes

### Disabled Dependents

- If you have an over-age disabled child not covered under SHBP prior to age 19 but was disabled prior to age 26, you may apply during open enrollment to enroll that dependent.
- To apply, call SHBP at (800) 610-1863 to request the disabled dependent forms. These forms, along with the indicated medical documentation of your child's disability must be received and approved by SHBP prior to coverage being granted

# SHBP Changes – January 1, 2009

## Eligibility Changes

### Surviving Spouse Coverage

- If a surviving spouse becomes eligible for coverage as an active employee, he/she must be covered under SHBP as an active employee through his/her employer and NOT as a surviving spouse
- When a surviving spouse leaves active employment, he/she must notify SHBP within 31 days to regain coverage as a surviving spouse



# Open Enrollment

## October 10 – November 10, 2008

- Employees will make their health election at [www.oe2009.ga.gov](http://www.oe2009.ga.gov)
- Web site will open at 12:01 a.m. on October 10 and close at 4:30 p.m. on November 10, 2008
- The Health Plan Decision Guide will be distributed to each agency and will be available at [www.oe2009.ga.gov](http://www.oe2009.ga.gov) and [www.dch.ga.gov/shbp\\_plans](http://www.dch.ga.gov/shbp_plans)



# SHBP Open Enrollment

## Informed Enrollment

- To assist our members in making an informed election for their 2009 health benefits, in mid September SHBP members will receive a letter from Thomson Reuters who manages SHBP's data
- This packet compares 2007 medical and prescription claims cost against the 2009 premium and benefit structure
- The letter will then tell you which SHBP option would be the most cost effective for you based on your 2007 claims costs



# Things to Consider

- Carefully read the Decision Guide
- Confirm your option will be offered in 2009
- See if your providers are participating in the network of the option you are thinking of selecting
- Check the distance you will have to drive to see your providers
- Coverage for prescription drugs – review the Prescription Drug List, co-insurance, co-pays
- Review the data from the Thomson Reuters to determine the most cost effective plan choice for you

